

114 NOV 1977

MEMORANDUM FOR: Chief, Plans and Programs Staff, OL

FROM: Acting Chief, Real Estate and Construction Division, OL

SUBJECT: Administrative Services Reorganization Project

REFERENCE: Memo dtd 25 Oct 77 to Heads of Exec Depts and Establishments fm J.W. Solomon and W.G. Granquist Chairman and Vice Chairman, Admin Services Project, President's Reorganization Project, Executive Office of the President, OMB

1. In response to the reference we submit the following list of areas as being most in need of improvement in GSA operations and suggest that they be included in the study design phase of the project:

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b. Maintenance of Emergency Systems

These systems normally are not run; and if defective do not manifest problems until called upon to function and fail to do so. If a critical operation justifies a redundant system, it is frequently noted that a breakdown is not treated with the same degree of urgency that a nonredundant system might receive. Prompt notification of intent to repair or notice that the redundant system is inoperable would be useful. Occasionally systems are taken out of service or work is done without adequate coordination.

SUBJECT: Administrative Services Reorganization Project

c. Construction, Alteration, Repair

1. Prices on medium-size construction and renovation projects: the major difficulty seems to be in calculation of labor costs required. The customer is not only required to pay \$12.36 per man-hour, regardless of the skill or actual pay rate of the technician involved, but must absorb the additional expense of varying productivity of shop personnel involved. This facet compounded with the need for certain trades to commute from central shop locations make labor costs seem extremely high.

2. Geographic separation complicates the GSA centralized support concept: in emergencies much time is lost in getting initial response followed by additional lengthy waits for the necessary special equipment to be located and transported. Productive time is at serious jeopardy when travel time is deducted from the normal work day.

3. Project turnaround time seems to suffer a considerable administrative burden: additional personnel or expertise on the staff at the building manager level might be able to expedite the estimating, negotiating, and quality assurance process. As presently structured, other than relatively minor projects have to be sent to Repair and Alteration Division and in some cases to Construction Management Division with resultant lost time for completion.

4. GSA internal administration is cumbersome: determination of the status of a project becomes a major effort; there is no automatic feedback (projects do get lost completely). Sometimes projects will drag on for a year or more without notice to the customer of anticipated delays or reasons therefore.

5. Cost estimating: improved accuracy in cost estimating is most needed. GSA is extremely high in cost estimating, consistently.

SUBJECT: Administrative Services Reorganization Project

6. Quality of construction supervision:
Actual on-the-job supervision of contractors and review and approval of shop drawings is lax in cases. The customer agency must follow the job closely to determine if performance meets requirements.

2. If we can be of further assistance, please contact us.

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Attachment



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1. Complete provisioning of building maintenance requirements as provided for under SLUC to include responsive funding as well as performance.
2. Because of excessive security costs i.e., clearances and escort requirements, contracting-out for reimbursable construction, alteration, and repair is unsatisfactory. Increases in the number of GSA trade mechanics would be more responsive and cost effective. The centralized support concept is equally ineffective because of the varying productivity of centrally assigned personnel.
3. Our logistics system is worldwide in scope. Increased decentralization in the materiel procurement activity would enhance our overall support capability. For example, our specifications in many areas such as security and communications are much more restrictive than those called for under the Federal Supply Schedules. Examination and possible adjustment of the mandatory clauses for compliance within these schedules would prove beneficial.

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Time and funds expended could be reduced measurably if this authority were to be decentralized for small space acquisitions.

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4 NOV 1977

Mr. Joseph Malaga, Executive Director
Administrative Services Reorganization Project
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Malaga:

The opportunity to provide information for your study on organizational and procedural improvements to centrally provided, federal administrative services is appreciated. CIA is heavily reliant upon the General Services Administration (GSA) for a variety of services, predominantly in the Metropolitan Washington Area. The Agency is also dependent upon the support of the Department of Defense for supplies and services, although more so in relation to foreign and domestic training activities. In both instances, however, centralized support is made difficult by the unique aspects of Agency operations.

As you are probably well aware, the Director of Central Intelligence is statutorily required to protect intelligence sources and methods including "... organization, functions, names, ... or numbers of personnel ...". These requirements, as recorded in a specific CIA exemption within the Federal Property and Administrative Services Act of 1949, complicate the utilization of centralized federal services in many functional areas. Because of this statutory requirement and the necessity to directly support sensitive foreign activities, the Agency: maintains its own telecommunications capability; has a logistics organization providing supplies, administrative services, classified printing, and facilities support; has a centralized security organization which, among other responsibilities, coordinates Agency facilities protection by GSA Federal Protective Service officers; and operates, in coordination with the National Archives and Records Service, a records management and storage system.

The Administrative Services Reorganization Project memorandum requested views, problems, and priorities (and the assumption is made that, as it affects CIA, GSA services

Mr. Joseph Malaga

Page 2

are of primary concern). First, CIA's dependence on GSA's administrative services should be reiterated. The Agency does not have the size to perform all of these functions for itself, nor, given the resources, would it be desired to do so. On balance, GSA support of Agency activities is more than satisfactory and cooperation and responsiveness by GSA senior managers can only be rated as excellent. It is considered, however, that improvement is needed in GSA/CIA's joint efforts to acquire and maintain and operate facilities. This space acquisition/maintenance function is complicated by several factors: (1) the necessity to vigorously screen and/or escort all GSA employees and GSA contractors given access to Agency buildings; (2) the occasional necessity for very rapid acquisition, relocation, or modification of a facility either to house an impending, "state-of-the art," technical collection system, for security reasons, or to accommodate organizational change; (3) the geographic isolation of the CIA Headquarters complex from GSA's centralized professional staff and labor pool; (4) CIA's necessity to install and operate, on a 24-hour basis, highly technical, classified systems requiring dual, special utilities systems for primary and backup operation; (5) the necessity to provide expensive, structural modifications to CIA facilities for physical security; and (6) the wide

It is recognized that this area of primary concern is complex and that a substantial amount of additional information may be required. Accordingly, [REDACTED] Executive Officer, Office of Logistics [REDACTED] has been designated as the action officer for this initial phase and will provide what further data your staff may need.

The provision of central administrative services is of vital concern to CIA and of principal interest to this Directorate. Please call me if I can be of personal assistance or, if you have the opportunity, please let me arrange a luncheon and tour of our Langley facility.

Sincerely,

/s/ Michael J. Malanick
Michael J. Malanick
Acting Deputy Director
for
Administration

Mr. Joseph Malaga

Page 3

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Originating Office:

/s/ James H. McDonald
James H. McDonald
Director of Logistics

4 NOV 1977

Date

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EO/OL/



(4 Nov 1977)

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(Rental)
space
construction
utilities

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PRESIDENT'S
REORGANIZATION
PROJECT

DD 'A Registry

7-5758

77-8/6/1

WASHINGTON, D.C. 20503

October 25, 1977


MEMORANDUM TO HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

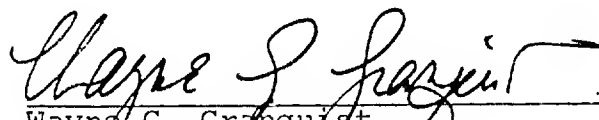
SUBJECT: Administrative Services Reorganization Project

The President in his memorandum of June 29, 1977, to you stressed his personal interest in improving the delivery of administrative services within the Federal Government. We will assess the role of the General Services Administration and other agencies in providing the goods and services you need to manage your agencies' programs. When we have collected and analyzed the data, we will develop organizational and process alternatives aimed at improving the management and delivery of supplies, space, ADP equipment and services, telecommunications, transportation services, records management, and general administrative support.

We want to begin our work with your views, problems, and priorities clearly in mind. We want to focus our efforts in those areas you feel are most in need of improvement. We will seek options for improvement and come back to you to discuss alternative solutions.

The National Aeronautics and Space Administration has loaned us Joseph Malaga, Director of Management Operations, Kennedy Space Center, to direct the day to day work on this project. Joe and his staff will consult regularly with your key headquarters and field staff as we go along. However, we do want your initial thoughts to guide us in our study design. Please send your ideas and comments to Joseph Malaga, Executive Director, Administrative Services Reorganization Project, Room 10235 NEOB, Office of Management and Budget, Washington, D.C. 20503. We would like to hear from you by November 4 on anything you want considered in the study design phase of the project.


Joel W. Solomon
Chairman
Administrative Services Project


Wayne G. Granquist
Vice Chairman
Administrative Services Project

02 1 4939

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R4B

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

4 November 1977

Mr. Joseph Malaga, Executive Director
Administrative Services Reorganization Project
Office of Management and Budget
Washington, D.C. 20503

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4 NOV 1977

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PRESIDENT'S
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WASHINGTON, D.C. 20503

October 25, 1977


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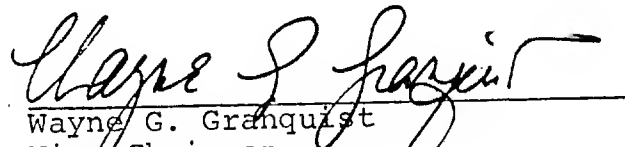
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Wayne G. Granquist
Vice Chairman
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UL 7 4939

4 November 77

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James H. McDonald
Director of Logistics

7 NOV 1977
Date

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Added on 19 Dec 77:

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THE PRESIDENT'S
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77-8161/1

WASHINGTON, D.C. 20503

October 25, 1977


MEMORANDUM TO HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

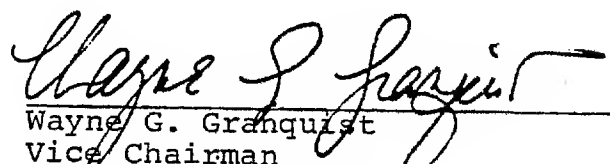
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